

CITY OF MORGAN HILL
CITY COUNCIL AND JOINT
SPECIAL REDEVELOPMENT AGENCY MEETING
MINUTES - OCTOBER 4, 2000

CALL TO ORDER

Mayor/Chairman Kennedy called the meeting to order at 7:00 p.m.

ROLL CALL ATTENDANCE

Present: Council/Agency Members Chang, Cook, Sellers, Tate and Mayor/Chairman Kennedy

DECLARATION OF POSTING OF AGENDA

City Clerk/Agency Secretary Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

SILENT INVOCATION.

PLEDGE OF ALLEGIANCE

At the invitation of Mayor Kennedy, City Clerk Torrez led the Pledge of Allegiance.

PRESENTATION

City Manager Tewes introduced Mr. Donald Demars, architect and potential investor, who has requested to make a presentation regarding a wellness center in conjunction with medical services in Morgan Hill.

Mr. Demars addressed the City Council regarding a fitness center to be located in Morgan Hill. He indicated that he has been involved in the design and construction of over 200 fitness centers the past 25 years. He indicated that a wellness center is a commercial enterprise that can be developed in a commercial setting in any city. He stated that this venture was looked at not only as a fitness center, but as a proactive approach toward healthcare in the community. The use would be associated with physical therapy and other medical services. He indicated that he was approached by Michael and Paul Shirley who would like to locate a fitness center somewhere in central California. He, in turn, contacted Katherine Graham of Catholic Healthcare West (CHW), San Francisco, to ask if she knew of a hospital in this area who would like to joint venture in a center like this. Ms. Graham advised him that Morgan Hill may have a medical center that may be interested. He reviewed the demographics of the area and that additional meetings were held with CHW to get the full picture of medical needs in the area. He said that he was present to give the City Council an idea of the proposal and request Council support. He indicated that no subsidies are being requested from the city.

Michael Shirley informed the City Council that he and his father have been working on this project

for several years and that the idea of a hospital and a medical affiliated fitness club appealed to him for the benefits identified. He confirmed that CHW was contacted and that it resulted in learning about the situation in Morgan Hill. He felt that Morgan Hill has a potential of gaining a medical affiliated wellness center. He is hoping to build a medical plaza that incorporates an urgent care, cardiac rehabilitation, and physical therapy medical office building to handle 95% of the medical needs of the citizens. He stated that he is looking to move forward with a fitness project in Morgan Hill with CHW and Mr. Demars and that it is hoped that this proposal fits in with the City of Morgan Hill's short and long term needs for medical services in the community.

Council Member Chang stated that she viewed several pictures of the wellness center. She indicated that an important component is medical offices and an urgent care. She inquired what is being proposed for the urgent care segment? Mr. Shirley responded that CHW is planning to run and staff the urgent care facility and to fill the medical offices with general practice and specialty doctors that can serve the general public independent of the wellness center. It is hoped to have the urgent care and the MOB on the same campus, building a medical plaza that will offer a wide range of emergency services through health promoting and wellness services.

Council Member Sellers asked if this proposal would be a membership oriented participation or would it be a medical referral? Mr. Shirley responded that the wellness center would be membership driven, offering a 12-week shape up program. Therefore, an individual would not be forced into a long-term membership. He indicated that an a la carte programming is gaining ground in fitness centers. It is proposed to have a combination of both along with medical referrals from the doctors.

Katherine Thompkison Graham, Regional Director of Community/Government relations, CHW, stated that CHW is pleased to be partnering with Mr. Demars and the Shirley family. She indicated that CHW is in the exploratory phase of what makes sense. CHW feels that there is a tremendous need in Morgan Hill for primary care physicians and other physician services for urgent care that includes a laboratory and diagnostic services. CHW is looking seriously at providing urgent care services because it is a recognized need in the community.

Mayor Pro Tempore Tate asked if one entity would own all of the buildings? He did not understand how CHW is working with the wellness center proposal as it sounds as two businesses would be sharing the same property.

Ms. Graham felt that there were plenty of models of arrangements where medical providers have relationships with fitness centers and that these details have not yet been worked out.

Mr. Demars indicated that the Shirleys and he would be the primary developers of the physical improvements. He would rely on the expertise of CHW to manage the medical components and that the Shirleys would manage the wellness center, noting that there may be an overlap with both parties involved. He said that it is realized that one of the important ingredients are the physicians with a potential for the physicians to eventually own units or a building.

Mayor Pro Tempore Tate asked how the community would indicate its vote in directing the services

that are to be provided and meet the City's defined objectives? Mr. Demars responded that the wellness center concept and its profitability grows out of other successful models that he has built. He said that the models are flexible and that if there are any particular programs that the City is interested in, he felt that they could be accommodated. He is open to working with everyone to make the project work. This partnership would be similar to that of a general and limited partnership where the general partnership takes all the risk and the limited partners involve themselves in the day to day operations.

Mayor Kennedy asked what would cause the decision to move forward to build this wellness center in Morgan Hill? Mr. Demars stated that a wellness center has to be attached to a strong medical component, noting that it has been found. He recommended that this proposal be allowed to move forward. He indicated that a wellness center and medical offices, with associated ancillary uses, can be built as part of phase I with an acute center being built as part of phase II.

Council Member Cook stated that in August 2000, Mr. Demars contacted the City of Morgan Hill and that the City received a letter from him, including a package of information. She spoke with Mr. Demars in August, advising him that she was excited about his concept. She noted that there is no cost or financial risk to the city associated with this proposal. It would only require that they have a properly zoned property. She hopes that the City does not turn down the proposal based on CHW's involvement in the proposal.

RECOGNITION

Mayor Kennedy presented Rick Saunders with a Certificate of Appreciation for his services as a *Computer Committee Volunteer* for the past five years. Human Resources Manager Dile presented Mr. Saunders with a gift in appreciation of his volunteer services to the city.

CITY COUNCIL REPORT

Mayor/Chair Kennedy reported on the Santa Clara Valley Transportation Authority. He indicated that everyone is aware that we are faced with a terrible crisis with traffic flowing through the City that is trying to bypass the bottleneck on Highway 101. He indicated that he has met with Mayor Ron Gonzales and has spoken with Santa Clara County Board of Supervisor Blanca Alvarado, Chairperson of the VTA Board of Directors. He presented a memo to them that outlines a recommendation to form an ad hoc committee to place greater emphases on the delivery of Measure A/B projects. One of the projects listed includes the widening of Highway 101 between Morgan Hill and San Jose. It also includes expanding CalTrain service as well as widening Interstate 880, north of San Jose from San Jose to Milpitas, work on Highway 280 at Highway 17, various light rail and other traffic improvement projects that will all help to reduce congestion in Silicon Valley. His memo is intended to place a greater focus on delivery and implementation of these projects. This would require that the Board of Directors identify the most critical projects and review them on a frequent basis, focusing on ways to speed these projects up. He indicated that he would be presenting his comments on Thursday, October 5 to the VTA Board.

CITY MANAGER'S REPORT

City Clerk Torrez announced that City Hall will be opened from 5:00 p.m. to midnight order to allow citizens to register to vote who have not had the opportunity to do so. She indicated that the Registrar of Voters and City Clerk staff will be present to assist citizens to register to vote.

City Manager Tewes announced that on Saturday, October 21, 2000, 10:00-11:30 a.m., a milestone celebration will occur in the implementation of City Council/Agency Commission goal of building a community and cultural center with the relocation of the Morgan Hill School to another site and the moving of the Temple Emmanuel Church to the corner.

CITY ATTORNEY'S REPORT

City Attorney Leichter presented the City Council with the monthly litigation summary, noting that cases have dropped from seven to six cases with the Ross Recreation Equipment case settlement. She indicated that Case No. 3 and No. 6 have settled and that her office is drafting the settlement document. Therefore, it is hoped that the City will be down to four cases next month.

PUBLIC COMMENT

Mayor Kennedy opened the floor to public comment.

Evan Hatakeyama indicated that he was speaking on behalf of Library Commissioner/Chairperson Evelyn Kobayashi who wished to relay to the City Council and the public that the book mobile manager to the Santa Clara County Library has indicated a strong possibility of arranging a new mobile book stop at PA Walsh Elementary School. It is felt that this mobile book stop would serve both the children and others in the neighborhood.

City Council Action

CONSENT CALENDAR:

Action: *On a motion by Council Member Chang and seconded by Mayor Pro Tempore Tate, the City Council unanimously (5-0) **approved** consent calendar items 1-8 as follows:*

1. **FINAL FISCAL YEAR 1999/2000 BUDGET ADJUSTMENTS**

Action: **Approved** *Proposed Final Budget Adjustments for the 1999/2000 Fiscal Year.*

2. **SUBDIVISION APPLICATION SD-00-12: COCHRANE - COYOTE ESTATES PHASE 5A**

Action: **Took No Action**, *Thereby Concurring with the Planning Commission's Decision Regarding Approval of the Subdivision Map.*

3. **REIMBURSEMENT TO USA PROPERTIES FOR FRONTING PUBLIC IMPROVEMENTS**
*Action: 1) **Appropriated** \$32,949 from the Current Year Unappropriated Undergrounding Utilities Fund (Fund 350) Balance for Reimbursement and 2) **Authorized** Reimbursement of \$32,949 for Undergrounding of Overhead Utilities to USA Properties and Reimbursement of \$14,172 for Design and Construction of Surface Improvements by USA Properties.*
4. **DELEGATION OF AUTHORITY TO THE CITY MANAGER FOR DETERMINING THE INDUSTRIAL DISABILITY STATUS OF A LOCAL SAFETY MEMBER OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM - Resolution No. 5430**
*Action: **Adopted** Resolution No. 5430, Which Delegates the Authority to Make Industrial Disability Determinations from the City Council to the City Manager.*
5. **AMENDMENT TO THE MANAGEMENT RESOLUTION - Resolution No. 5431**
*Action: **Adopted** Resolution No. 5431, Amending the Management, Professional and Confidential Employees Resolution No. 5320 Which Assigns a New Salary Range to the Position of Budget Manager.*
6. **VACATION OF A TEMPORARY TURNAROUND EASEMENT ON LOT #6 OF TRACT #5704 - Resolution No. 5432**
*Action: 1) **Adopted** Resolution No. 5432, Declaring Summary Vacation of a Temporary Turnaround Easement on Lot #6 of Tract #5704, San Ramon Drive, and 2) **Directed** the City Clerk to File a Certified Copy of the Resolution in the Office of the Recorder of the County of Santa Clara.*
7. **RESPONSE TO GRAND JURY REPORT**
*Action: **Approved** Response to Grand Jury Report.*
8. **AGREEMENT WITH GLS RESEARCH TO CONDUCT A HEALTH CARE SURVEY**
*Action: **Authorized** the City Manager to Prepare, Negotiate, and Execute an Agreement with GLS Research in an Amount Not to Exceed \$30,000 for Services to Conduct Focus Groups and a Survey Regarding Community Health Care Issues.*

PUBLIC HEARINGS:

9. **DEVELOPMENT AGREEMENT APPLICATION DA-00-06: COCHRANE - COYOTE ESTATES PHASE 5A - Ordinance No. 1489, New Series**

Director of Community Development Bischoff presented the staff report. He informed the City Council that Dick Oliver is present this evening to request an amendment to the Development Agreement. He stated that staff concurs with Mr. Oliver's modification. He indicated that a question was raised whether or not storm water retention was needed on site. He stated that the Water District

has allowed direct discharge into Coyote Creek and that this issue has been fully resolved.

Mayor Kennedy opened the public hearing.

Dick Oliver stated that he was out of country when this application was considered by the Planning Commission. Therefore, he did not have an opportunity to review the staff report. He indicated that paragraph 14(p)(iii) of the Development Agreement would require the installation of a park at Cochrane and Peet Roads. He stated that he agreed to install the park as part of the 49-unit application, noting that only five allocations were granted. He said that it would be a burden to install the park at this time and that he would agree to install the park with a future phase of development.

Council Member Cook asked if Mr. Oliver and staff would agree to modify the development agreement to stipulate installation of the park upon the construction of a certain number of units? Mr. Oliver stated that he would agree to install the park as part of phase VI, with the construction of the 25th unit.

No further comments being offered, the public hearing was closed.

Action: *On a motion by Council Member Chang and seconded by Council Member Cook, the City Council unanimously **Waived** the Reading in Full of the Ordinance No. 1489 New Series, Approving the Development Agreement.*

Motion: *On a motion by Council Member Cook and seconded by Mayor Pro Tempore Tate, the City Council **introduced** Ordinance No. 1489 New Series by Title Only as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A DEVELOPMENT AGREEMENT WITH COYOTE RANCH LIMITED PARTNERS FOR A FIVE UNIT, PHASE Va ADDITION TO THE COYOTE ESTATES PROJECT WHICH WAS AWARDED AN ALLOCATION THROUGH THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM FOR FISCAL YEAR 2001-2002 amending Development Agreement, paragraph 14(p)(iii) to read: "The installation of the new common area landscaped buffer along Cochrane Road, west of Peet will be installed no later the construction of the 25th unit in Phase VI" by the following roll call vote: AYES: Chang, Cook, Kennedy, Sellers, Tate; NOES: None; ABSTAIN; None; ABSENT: None.*

10. ZONING AMENDMENT APPLICATION ZA-99-16: CITY OF MORGAN HILL - WOOD SMOKE ORDINANCE - Ordinance No. 1490, New Series

Director of Community Development Bischoff presented the staff report. He felt that the Ordinance addressed the concerns expressed previously by the Bay Area Air Quality Management District and the California Hearth and Homes Association.

Mayor Kennedy opened the public hearing.

Tommie Mayfield, Principal Air Quality Specialist, Bay Area Air Quality Management District (BAAQMD), stated that BAAQMD is appreciative and thankful that the City Council will adopt the ordinance. She indicated that Morgan Hill is aware that 90% of the fireplaces being installed are gas fired. It has been found that the Cities of Palo Alto, San Jose and Morgan Hill will be role models for other communities. She felt that this is important because there is a regional air quality problem. The ordinance will provide a balanced perspective and will plan for the future. The ordinance will inhibit new source proliferation in new construction in order to reduce particulate matter from new appliances. She indicated that there are several types of inserts, some being EPA certified. The limitations contained in the ordinance states that if an individual is to install an insert, it has to be EPA certified.

No further comments being offered, the public hearing was closed.

Council Member Cook stated that she supported the ordinance when it came before the City Council last September and stated her support of the ordinance.

Action: *On a motion by Council Member Cook and seconded by Council Member Sellers, the City Council unanimously (5-0) **Waived** the Reading in Full of the Ordinance No. 1490, New Series, Approving the Zoning Amendment.*

Action: *On a motion by Council Member Sellers and seconded by Council Member Cook, the City Council **Introduced** Ordinance No. 1490, New Series by Title Only as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL ESTABLISHING CHAPTER 15.64 OF THE MUNICIPAL CODE REGARDING WOOD BURNING APPLIANCES by the following roll call vote: AYES: Chang, Cook, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.*

OTHER BUSINESS:

11. TENNANT AVENUE HIGH SCHOOL SITE MEMORANDUM OF UNDERSTANDING

Mayor Kennedy recognized Council Member Sellers and Mayor Pro Tempore Tate, the City Council's City-School Liaison Committee Members who have been working diligently with the School District. He thanked City Manager Tewes and Director of Community Development Bischoff for attending several meetings. He indicated that Council Member Sellers and he have met with representatives of the City of San Jose on several occasions in an effort to come up with a solution.

Council Member Sellers presented the City-School Liaison Committee report. He said that it has been difficult determining what needed to be achieved to reach a common ground to locate the high school site at Tennant Avenue. He noted that on October 16, the School District will be making a final decision regarding the location of the high school. Three major ideas were discussed and are being recommended to the City Council in order to make the Tennant site attractive to the School District as follows: 1) City to install three unplanned traffic signals at three key intersections

(Tennant/101, Tennant/Murphy, Murphy/Dunne); 2) City to develop an aquatic complex based on resources available through the Redevelopment Agency (locate an attractive aquatic center at the Tennant site which would serve the students and broader community; and 3) waiving all impact fees at the Tennant site. He indicated that the School District and the City of San Jose are aware of these commitments. He recommended that the City Council consider these commitments contingent upon the City of San Jose undertaking site acquisition and other commitments being requested by the School District in order to facilitate locating the new high school at the T-1 site. This action will affirm the city's commitment in giving the School District something substantive to that they can consider. He said that the subcommittee has spent several hours Monday afternoon trying to figure out what would make sense, including Mayor Kennedy's leadership.

Mayor Kennedy stated that the basic understanding of a meeting held this evening is that the three jurisdictions will come up with a Memorandum of Understanding (MOU). He said that it is a goal to work jointly to proceed with the high school at the Tennant Avenue site. He indicated that the City of San Jose would be recommending to their council that they provide funding to acquire the Sobrato site.

Mayor Pro Tempore Tate indicated that the City-School Liaison Committee was bringing a proposal to the City Council on a commitment contingent upon commitments from the School District and the City of San Jose being made. He clarified that a commitment has not been made to the School District.

Council Member Cook noted that the City Manager stated that Morgan Hill would agree to install the three unplanned traffic signals, noting that these signals are proposed as part of the General Plan. She said that these traffic signals will not be installed unless the area starts to develop. She noted that the first property owner to develop would pay for traffic signal installation and would be reimbursed as properties develop. She asked if the City would be reimbursed for the \$450,000 when development occurs?

City Manager Tewes said that it is the intention of the proposal of the Subcommittee that the City of Morgan Hill would pay for installation of three signals at the time of high school construction. He noted that these three signals are not part of the General Plan traffic impact fee program. It is being proposed to update the general plan this year and include these traffic signals in the traffic impact program. The city would then collect fees for the traffic signals and that it would be up to the City Council to determine if subsequent development would be required to reimburse the City for the installation of the signals.

Council Member Cook asked if the money to be given to the School District by San Jose for the sale of the Sobrato site would go into the bond fund or would it be used for the renovation of Live Oak High School or for the construction of a high school at Tennant Avenue?

City Manager Tewes stated it would be made clear under the section "School District Commitment" that when the School District receives the proceeds from the sale of the Sobrato property that the money is to be used for the Tennant/Murphy high school project. He indicated that without any

incentives, there is a cost gap between the Sobrato and Tennant sites. He indicated that the Tennant site would result in approximately \$4.3 million in additional costs. The value of the incentives outlined in the proposal is \$5.8 million, with a net gain to the School District for its use for other educational purposes.

Council Member Cook stated that the concern she is hearing in the community is that any money to be derived from sale of the Sobrato site should go back into the same fund that the bond money is coming from. Also, funds should only be used for the issues that relate to the bond measure. She stated that citizens do not want the money to go back into the School District's general fund.

Council Member Sellers noted that the proceeds from the sale of the Sobrato site would be an agreement between the School District and the City of San Jose. He felt that the proceeds from the sale of the Sobrato site would be used to develop the high school site. He felt that the City would be overstepping its authority to state how the funds are to be used but that it was his belief that with or without a formal agreement, the funds would go toward needed facilities for the School District.

Mayor Kennedy indicated that School Board Members John Kennett and Susan Choi were in attendance at a meeting held in the afternoon. They expressed concern that the School District's costs have escalated significantly and that they expect the cost for relocation to exceed what has been indicated. Also, the delays have caused a significant increase in costs through normal escalation and appreciation. They could not speak for the School Board, noting that the proposal will need to be presented to the School Board. Another concern is that there is no guarantee that the State would provide the amount of funding listed. It is the City's hope to make an attractive offer to the School District to encourage the use of the T1 site.

Council Member Cook referred to pages 161 and 162 and stated that she was astonished to look at the table and the document received this evening, noting that \$5.759 million does not appear in the report. Also, the number suggests that the comparative difference of the sites go no higher than \$1.92 million. She felt that there was a lot of posturing taking place.

City Manager Tewes said that the numbers are being presented in a different fashion to make it clear. He indicated that the presentation in the agenda packet included some incentives to go to the T1 site and that these incentives have not been acted upon previously by the City Council. These were incentives being considered as options not yet presented. Staff tried to compare the true costs of the Sobrato and Tennant sites with a particular set of incentives. Subsequent to this time, the Subcommittee of the City Council met and developed the proposal before it this evening. It was felt that it would be more useful to compare the two sites without incentives and then with the recommended incentives.

Council Member Cook said that in comparing the two tables, it appears that when there are fewer incentives there was less difference between the two sites. Now that more incentives are being proposed, there appears to be a greater cost difference between the two sites.

Council Member Sellers said that the City-School Liaison Committee met 3 to 4 weeks ago to come

up with numbers for a lot of the items. He felt that it was important for the City Council to commit tonight that it is prepared to proceed with the construction of an aquatic center at the T1 site, installation of the traffic signal and the other items mentioned this evening. The City can advise community members that the city has made a significant commitment to the project, one that will coincide with the commitments made to the citizens of Morgan Hill. This would not result in additional costs but that the City and the community would get more for these funds. He said that the School Board does not know if they will be reimbursed for the land acquisition cost because of the uncertainty of state funding. Also, it is not known how much the land will cost. He indicated that the City is committed on working on the issues. He said that professional resources were also committed to the School District.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Action: *Council Member Sellers made a motion, seconded by Mayor Pro Tempore Tate, to **approve** the three recommended action items as listed in the handout presented this evening contingent upon receiving comments from the City of San Jose and the Morgan Hill Unified School District as follows: 1) Installation of three traffic signals; 2) paying full costs for the construction of an aquatic complex (including portion of land costs, offsite improvement costs, pool construction); and 3) waiving all impact fees at the Tennant Avenue site.*

Council Member Chang said that she was pleased to see that the subcommittee was able to work on a proposal which would result in a high school being built. She agreed with the recommendation. However, she wanted to make sure that the School District is in agreement with the proposal before proceeding with an agreement. She felt that the School District should be happy with the City Council as incentives are being recommended. However, in the process of doing so, the Council should be encouraging the T1 site and that the City Council not be force it upon the School District.

Council Member Sellers said that it has been made clear at the City-School Liaison Committee meetings that this is a School District decision. He indicated that it was stated that the City wants to offer its commitment and incentives to assist the School District. He said that the City of San Jose also needs to commit itself in order to make this work.

Action: *Council Member Cook moved to **amend** the first bullet under the Morgan Hill Unified School District commitment to state that the use of the proceeds from the agreement are to be used and applied to the voter approved bond fund.*

Mayor Kennedy recommended that it be stated that the proceeds from the sale of the Sobrato site are to be applied toward the new high school.

City Manager Tewes said that the proposed amendment would make it clear that the \$3 million proceeds from the sale of the Sobrato site are to be used for the purposes set forth in the bond measure or for the high school.

Council Member Sellers did not believe the amendment would change the outcome.

Council Member Chang said that if the City of San Jose is giving money to the School District for the Sobrato site, it should be with no strings attached.

Council Member Cook said that she wanted to respond to the public's concern that the money does not go into the School District's general fund and that it be used for bond measure projects.

Council Member Sellers felt that the amendment would be adding strings to the agreement between the City of San Jose and the School District. He did not believe that the City Council would want to hamper this agreement. He stated that he had no doubt that the School District would apply the proceeds toward facilities. Therefore, he would not object to the amendment.

Action: *Council Member Sellers and Mayor Pro Tempore Tate **agreed to amend** their motion to further stipulate that the proceeds from the sale of the Sobrato site is to be used for the projects identified in the bond measure. The motion carried unanimously (5-0).*

12. MEASURE A; ONE-HALF CENT SALES TAX FOR TRANSPORTATION

Mayor Kennedy presented the staff report and stated that a lot of concern has been expressed that Measure A would devote a lot of money to the Bart extension and that it would not directly benefit south Santa Clara County. He stated that Measure A has some direct benefit, in addition to providing a Bart connection to make it more convenient to South County residents who choose to travel to bay area games. It will also provide additional Caltrain service and free up state and federal funds for local road projects throughout Santa Clara County identified in the VTP 2020 plan. He recommended that the City Council endorse the one-half cent sales tax for Measure A by resolution. He noted that the governor has set aside \$¾ billion in state funds and that it has been indicated that there would be no guarantee that these funds would be available in the future.

Mayor Pro Tempore Tate stated his support of endorsing Measure A because he felt that the area is in a transportation crises and that focus has to be given to this problem.

Council Member Chang requested that staff identify the projects that would be completed with state funding. Director of Public Works Ashcraft presented the City Council with a handout that identifies Valley Transportation Agency (VTA) proposed projects if the Measure A does not pass and the projects to be funded if it does pass. He recommended that the City Council authorize the Mayor to send a letter to VTA suggesting that the VTP 2020 plan, as drafted, be amended (e.g., Tennant/101 be treated similar to Buena Vista/101, Tennant/101 be listed as \$5 million dollar project with STIP funds if the Measure does not pass to be matched with local funds.) He indicated that staff supports the recommendation to endorse Measure A but that it recommends that some comments be directed to VTA regarding the draft VTP 2020 plan.

Council Member Chang recommended that emphasis be given to local streets and county roads to

ensure that the City receives additional funding.

Mayor Kennedy clarified that funding is not only population driven, but that if a project is significant to a community, VTA will review the project and complete the project regardless of population. He felt that the best way to move a project up is to provide a local match, working with other board members to keep a focus on the City's projects.

Council Member Sellers felt that Measure A is a critical issue, not only for Morgan Hill but for the entire region. He noted that 80% of Morgan Hill's workforce commutes out of town every day and severely impacts freeways and that there are others who go through Morgan Hill, heading south, also add to traffic congestion.

Action: *Council Member Sellers moved to **support** Measure A and that the **Mayor be authorized to write a letter** per staff's recommendation as follows: 1) Request that Tennant/101 be treated similarly to Buena Vista/101 and show that the \$10 million project would receive \$5 million in STIP funds and would require a \$5 million local match; 2) request that all local street/intersection freeway projects be treated the same. Any portion of a project that is not within the existing or future state right of way should be added to the local projects list; 3) Request that additional consideration be given to the widening of Highway 101 to eight lanes; and 4) that all local projects be required to meet the minimum 20% local match (projects with greater than the minimum local match would receive a greater priority).*

Mayor Kennedy inquired if Butterfield Boulevard could be redesignated as an expressway and whether it would require county participation/jurisdictional approval? He said that changing the road status would be a way to add it to the list.

Council Member Cook noted that Butterfield Boulevard is not a local project as it is a project that serves 70% of the population that travels through town during the rush hour.

City Manager Tewes stated that it is within the city's prerogative to designate Butterfield as an expressway. This change would require an amendment to the general plan and the adoption of rules and regulation about limited access.

Council Member Sellers felt that the suggestion to change Butterfield Boulevard to an expressway is a good one as long as it makes sense to proceed in order to garnish resources.

Council Member Cook asked why the discussion to change Butterfield Boulevard to an expressway did not occur before? She asked why the Council is approving Measure A when suggested changes are being proposed? She recommended that approval be given once the changes are made.

Council Member Chang noted that Measure A is on the ballot and that the City Council is being asked to endorse Measure A. She recommended that the City Council endorse Measure A subject to the identified conditions.

Mayor Kennedy agreed to endorse Measure A contingent upon the conditions. He said that the City Council has leverage at this time and that it should be used to the City's benefit. He noted that last Friday, VTA held a meeting and that it was decided to postpone the approval of the VTP 2020 Plan until the first meeting in November because it was being rushed. He recommended that this item be deferred to the next Council meeting, taking the conditions back to VTA staff, and that staff investigate the idea of redesignating Butterfield as an expressway.

Council Member Cook stated that this was the third time that this same endorsement has been before the City Council. She stated that she would not support Measure A because she felt that it was a rush decision, noting that the City is not pleased with the project list. She felt that pinning hope on STIP monies leaves the City without many projects in the community that are needed due to regional traffic impacts.

Council Member Sellers felt that the City Council can go to VTA to request support of City projects. He felt that the City will still have access to funding.

Mayor Kennedy said that if the City did not have staff's suggestions before it, he would be prepared to support endorsing Measure A by resolution. As the City Council has specific suggestions before it, he felt that it would help the City to get these projects in place if staff relays the City Council's comments to VTA. He would support delaying an endorsement of Measure A in order to assure that staff's recommendations are included.

Council Member Tate felt that the conditions can be supported.

Action: *Council Member Sellers made a motion, seconded by Mayor Pro Tempore Tate, to support Measure A subject to staff going back to VTA, relaying the City Council's concerns, working to get these concerns addressed and include the request to redesignate Butterfield Boulevard to an expressway.*

Council Member Chang asked if the VTP 2020 plan is good for the city? Mr. Ashcraft did not believe that the Plan comprehensively lists all of the transportation projects that will be needed in the next 20 years. However, he noted that it is stated that every two years the plan will be updated and that priorities can change based on greater needs.

Council Member Chang noted that Mayor Kennedy has indicated that the City still has some leverage. She recommended that the City retain its leverage. She further recommended that the Council indicate its support of Measure A subject to the conditions identified. If VTA does not incorporate the conditions, the item can be agendized for Council consideration in two weeks.

Mr. Ashcraft said that adding the widening of the freeway to eight lanes to the list could delay other near term possibilities. He said that VTA staff has indicated that this project did not get on the VTP 2020 list because it was a matter of timing. VTA staff felt that this project could be added to the list in two years when the list is reviewed.

Vote: *The motion carried 4-1 with Council Member Cook voting no because she did not endorse the project.*

SECOND READING OF ORDINANCE:

13. ADOPT ORDINANCE NO. 1487 NEW SERIES

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Cook, the City Council **Adopted** Ordinance No. 1487, New Series as follows: An Ordinance of The City Council of The City of Morgan Hill Approving Amendments to Chapters 18.04, 18.30 and 18.74 of the Morgan Hill Municipal Code, ZA-98-11, as amended, by the following roll call vote: AYES: Chang, Cook, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.*

14. ADOPT ORDINANCE NO. 1488 NEW SERIES

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Cook, the City Council **Adopted** Ordinance No. 1488, New Series as follows: An Ordinance of The City Council of The City of Morgan Hill Approving Development Standards and Allowable Uses for Five Planned Unit Development (PUD) Areas, ZA-98-11, as amended, by the following roll call vote: AYES: Chang, Cook, Kennedy, Tate; NOES: Tate; ABSTAIN: None; ABSENT: None.*

City Council & Redevelopment Agency Action

CONSENT CALENDAR:

Action: *On a motion by Council/Agency Member Tate and seconded by Council/Agency Member Sellers, the City Council/Agency Commission unanimously (5-0) **approved** Consent Calendar Items 15-17 as follows:*

15. JOINT CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MINUTES OF SEPTEMBER 6, 2000

Action: **Approved** the minutes as written.

16. JOINT SPECIAL CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES OF SEPTEMBER 20, 2000

Action: **Approved** the minutes as written.

17. JOINT CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES OF SEPTEMBER 20, 2000

Action: **Approved** the minutes as written.

CLOSED SESSION:

City Attorney Leichter announced the following closed session items:

1.

CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

Legal Authority: Government Code 54956.8 & 54956.9(c) (1 potential case)
Real Property(ies) involved: APN 728-31-007 & 008; 25.50 acres located on the southwesterly side of Road (St. Louise Hospital property)
City Negotiators: Agency Members; Executive Director; Agency Counsel; and F. Gale Conner, special counsel
Closed Session Topic: Potential Litigation

2.

CONFERENCE WITH LEGAL COUNSEL - REAL PROPERTY NEGOTIATOR

Legal Authority: Government Code 54956.8
Real Property Involved: A 8.93 acre parcel located on West Edmundson Avenue, east of Community Park (APN 767-18-025)
City/Agency Negotiators: City Manager/Executive Director; City Attorney/Agency Counsel; Director of Business Assistance & Housing Services
Closed Session Topic: Acquisition of Real Property

3.

Pursuant to Government Code 54957
Public Employee Goals and Performance Evaluation: City Attorney
Attendees: City Council, City Attorney, City Manager

Mayor/Chairman Kennedy opened the closed session items to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION:

Mayor/Chairman Kennedy adjourned the meeting to closed session at 9:43 p.m.

RECONVENE:

Mayor/Chairman Kennedy reconvened the meeting at 10:10 p.m.

CLOSED SESSION ANNOUNCEMENT:

City Attorney Leichter announced that no reportable action was taken on the above closed session items.

FUTURE COUNCIL-INITIATED AGENDA ITEMS:

- Parliamentary Procedures (Cook)

ADJOURNMENT

There being no further business, Mayor/Chairman Kennedy adjourned the meeting at 10:18 a.m.

MINUTES RECORDED AND PREPARED BY:

Irma Torrez, City Clerk